

Hearing Date: February 10, 2009
Hearing Time: 10:00 a.m. (prevailing Eastern time)

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
(312) 407-0700
John Wm. Butler, Jr.
John K. Lyons
Albert L. Hogan, III
Ron E. Meisler

- and -

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, New York 10036
(212) 735-3000
Kayalyn A. Marafioti
Thomas J. Matz

Attorneys for Delphi Corporation, et al.,
Debtors and Debtors-in-Possession

Delphi Legal Information Hotline:
Toll Free: (800) 718-5305
International: (248) 813-2698

Delphi Legal Information Website:
<http://www.delphidocket.com>

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----	x	
	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT TO
PROOF OF CLAIM NUMBER 11274 (SMALL PARTS, INC.)**

("STATEMENT OF DISPUTED ISSUES – SMALL PARTS, INC.")

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, including Delphi Automotive Systems LLC ("DAS LLC"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proof Of Claim Number 11274 filed by Small Parts, Inc. ("Small Parts") and respectfully represent as follows:

Background

1. On October 8 and 14, 2005 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of New York.

2. On July 27, 2006, Small Parts filed proof of claim number 11274 (the "Proof of Claim") against Delphi. The Proof of Claim asserts an unsecured non-priority claim in the amount of \$176,158.38 for the sale of goods (the "Claim").

3. On December 21, 2007, the Debtors objected to the Proof of Claim. pursuant to the Debtors' Twenty-Fourth Omnibus Objection Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To (A) Duplicate Or Amended Claims, (B) Claims Not Reflected On Debtors' Books And Records, (C) Untimely Claims, And (D) Claims Subject To Modification, Modified Claims Asserting Reclamation, And Claim Subject To Modification That Is Subject To Prior Order (Docket No. 11588) (the "Twenty-Fourth Omnibus Claims Objection").

4. On January 17, 2008, Small Parts filed its Response By Small Parts, Inc. To Debtors' Twenty-Fourth Omnibus Claims Objection As It Pertains To Claim Number 11274 (Docket No. 12215) (the "Response").

Disputed Issues

A. DAS LLC Does Not Owe Claimant The Amount Asserted In The Proof of Claim

5. Small Parts asserts in the Proof of Claim that Delphi owes Small Parts a total of \$176,158.38 for goods sold. DAS LLC has reviewed the information attached to the Proof of Claim and the Response and disputes that it owes the amount asserted in the Proof of Claim.

6. Paid Invoices. Based upon DAS LLC's various accounts payable records, certain invoices reflected in the Proof of Claim in the amount of \$66,460.60 have been paid pursuant to wire payments made on September 12 and 15, 2005, and on October 1, 5, and 6, 2005 (collectively, the "Wire Payments"), to Small Parts. Therefore, \$66,460.60 should be subtracted from the amount claimed in the Proof of Claim.

7. Proofs of Delivery Not Provided. Before noticing the Claim for a hearing, the Debtors worked with representatives from Small Parts to resolve the Claim consensually. Small Parts provided the Debtors with information regarding its allocation of the Wire Payments, which included amounts beyond those comprising the Proof of Claim. Upon reconciliation of the allocation information received from Small Parts for the Wire Payments with their own books and records, the Debtors found that Small Parts had allocated \$178,025.73 in amounts owed based on bill of lading numbers which the DAS LLC could not identify in its accounts payable system and for which Small Parts did not provide proofs of delivery. These disputed amounts are identified in Exhibit A hereto.

8. Delphi's General Terms And Conditions governing its dealings with suppliers require that suppliers "promptly forward the original bill of lading or other shipping receipt with respect to each shipment as Buyer instructs." See General Terms And Conditions, §

2.1. DAS LLC has no record of receiving goods associated with the amounts referenced on Exhibit A. DAS LLC, however, has offset the portion of the Claim for which there is no proof of delivery by allocating the amount of \$147,505.73 to certain payables that Small Parts did not include in the Proof of Claim. Because Small Parts has not provided proofs of delivery for the items listed on Exhibit A, the net amount of \$30,520.00 should not be included in the claim.

9. Proof of Claim Overstates Prices. The price detailed on certain purchase orders are lower than the price detailed on Small Part's invoices. The purchase orders reflect the contractual pricing. Therefore, \$297.49 should be subtracted from the amount of the Proof of Claim.

10. After taking into account the above-referenced deductions to the Proof of Claim, the Debtors reconciled the Proof of Claim as illustrated in the following chart:

<u>Claimant's Asserted Amount</u>		\$176,158.38
<u>Modifications</u>	Paid Invoices	(\$66,460.60)
	Proofs of Delivery Not Provided	(\$30,520.00)
	Proof of Claim Overstates Prices	(\$297.49)
<u>Reconciled Amount</u>		\$78,880.29

11. DAS LLC does not dispute the remaining \$78,880.29 of the Claim and requests that the Claim be reduced to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$78,880.29.

Reservation Of Rights

12. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m),

3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claim and (b) the Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claim.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) reducing the Proof of Claim to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$78,880.29 and (b) granting the Debtors such other and further relief as is just.

Dated: New York, New York
November 18, 2008

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: /s/ John Wm. Butler, Jr.
John Wm. Butler, Jr.
John K. Lyons
Albert L. Hogan, III
Ron E. Meisler
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
(312) 407-0700

- and -

By: /s/ Kayalyn A. Marafioti
Kayalyn A. Marafioti
Thomas J. Matz
Four Times Square
New York, New York 10036
(212) 735-3000

Attorneys for Delphi Corporation, et al.,
Debtors and Debtors-in-Possession

Exhibit A

BOL NUMBERS	POC AMOUNT
51644	6,475.59
53133	103.00
54275	103.00
54281	103.00
54465	102.90
54730	37.38
55181	4.34
56217	309.00
56288	177.16
56540	206.00
56771	686.70
56788	309.00
56872	444.72
56873	409.74
56933	481.78
56934	528.05
56987	1,672.72
57236	646.57
57406	572.25
57485	805.73
57570	407.66
57847	228.90
57848	185.01
57928	234.90
58067	354.36
58068	234.90
58206	234.90
58207	147.65
58260	234.90
58261	147.65
58335	295.30
58336	469.80
58460	234.90
58462	147.65
58488	4.60
58489	147.65
58490	234.90
58522	234.90
58523	88.59
58579	234.90
58761	147.65

58773	23.51
58774	355.78
58786	147.65
58818	147.65
58945	381.45
59064	829.68
59251	224.88
59271	147.65
59328	430.65
59347	147.65
59384	132.32
59442	147.65
59444	128.41
59503	274.42
59504	509.35
59687	611.22
59696	10.87
59701	508.95
59719	254.68
59720	64.05
59750	9.14
59751	152.81
59800	305.61
59801	2,492.30
59863	32.65
59895	1,018.70
59921	294.26
59965	275.61
60011	134.84
60012	154.10
60016	327.92
60075	234.90
60133	274.05
60169	274.05
60367	274.05
60369	509.35
60431	274.05
60432	509.35
60540	4.60
61097	234.90
61098	509.35
61168	32.65
61169	234.90
61170	509.35
61292	1,715.70
61346	234.90
61497	1,274.40

61729	1,274.40
61780	1,274.40
61849	1,274.40
61880	1,486.80
61881	1,294.60
61980	1,486.80
62094	5,522.40
62118	566.42
62372	1,294.60
63476	2,973.60
233456	248.77
234781	69.80
236595	69.80
237664	165.85
247253	380.21
247254	11,985.87
247255	2,487.24
247256	362.03
247257	131.00
247258	377.70
254626	5.36
256993	755.40
258035	2,066.40
266923	201.33
270103	207.20
270338	146.95
271182	71.77
272561	39.45
276533	598.50
276551	202.04
276870	243.03
279896	896.81
280022	1,793.61
281920	166.05
282033	39.93
282450	5,380.82
282553	8,968.03
282652	3,587.21
282775	2,690.41
282873	5,380.82
282975	4,484.02
283063	5,380.82
283156	1,160.00
283164	6,277.62
283280	6,277.62
283386	6,277.62
283485	6,277.62

283573	5,380.82
285062	10,761.64
285164	5,380.82
288346	160.60
349255	108.80
349318	23.17
351057	0.60
351205	1,793.61
351247	189.35
351249	1,213.70
351251	1,175.94
382232	5,380.82
382342	5,380.82
382771	164.65
TOTAL	\$178,025.73